## Message Text

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PAGE 01 TEL AV 02199 291456Z ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04 NSAE-00 SIL-01 DODE-00 PA-02 USIA-15 PRS-01 SP-02 L-03 FMC-02 DOTE-00 /056 W

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R 291415Z MAR 77 FM AMEMBASSY TEL AVIV TO SECSTATE WASHDC 5465

**UNCLAS TEL AVIV 2199** 

E.O. 11652: N/A

TAGS: ELAB, ECON, IS

SUBJECT: DOCK WORKERS' STRIKE

REF: TEL AVIV 2157

- 1. WORK WAS RESUMED ON MARCH 29 AT ALL ISRAEL PORTS FOLLOWING THE DECISION BY THE SPECIAL CABINET COMMITTEE THAT NORMAL WORK SHOULD BE RESUMED IMMEDIATELY AND THAT THE PORTS AUTHORITY SHOULD SIMULTANEOUSLY OPEN NEGOTIATIONS WITH THE DOCK WORKERS ON THE BASIS OF HISTADRUT PROPOSALS FOR A FIVE PER CENT WAGE INCREASE (SEE REFTEL). AMONG THE COMMITTEE MEMBERS, MINISTERS YAACOBI AND HAUSNER WANTED THE WAGE INCREASE TO THE DOCKERS TO BE LINKED TO THE WAGE INCREASE PROPOSED FOR THE WHOLE INDUSTRIAL SECTOR BUT THIS CONDITION WAS NOT ACCEPTED.
- 2. INITIAL REACTION TO THE DECISION IS MIXED. WHILE THE GOVERNMENT WAS SAID TO HAVE BEEN LEFT WITH NO OPTION EXCEPT TO ACCEPT HISTADRUT PROPOSALS AS A BASIS FOR NEGOTIATIONS WITH THE WORKERS, SUCH AN ACCEPTANCE WILL ALMOST INEVITABLY RESULT IN SIMILAR INCREASES THROUGHOUT THE INDUSTRIAL SECTOR. AVRAHAM SHAVIT, PRESIDENT OF THE MANUFACTURERS ASSOCIATION, BITTERLY CRITICIZED THE AGREEMENT AND EMPHASIZED UNCLASSIFIED

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PAGE 02 TEL AV 02199 291456Z

THAT HIS ASSOCIATION WOULD NOT BE BOUND BY THE DECISION AS LONG AS PREVIOUSLY NEGOTIATED WAGE CONTRACTS ARE IN FORCE.

3. ECONOMIC CIRCLES EXPRESS THE VIEW THAT THE EXPECTED OVERALL WAGE INCREASE FOR ALL INDUSTRIAL WORKERS WILL RESULT IN A SIGNIFICANT INCREASE IN THE CONSUMER PRICE INDEX AND MAY ALSO CREATE POCKETS OF UNEMPLOYMENT AS

SOME EMPLOYERS MAY BE UNABLE TO MEET THE HIGHTER WAGE
COSTS.
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## Message Attributes

Automatic Decaptioning: X

Capture Date: 01-Jan-1994 12:00:00 am Channel Indicators: n/a

**Current Classification: UNCLASSIFIED** 

Concepts: UNION GOVERNMENT RELATIONS, LONGSHOREMEN, LABOR STRIKES

Control Number: n/a

Copy: SINGLE Sent Date: 29-Mar-1977 12:00:00 am Decaption Date: 01-Jan-1960 12:00:00 am Decaption Note:

Disposition Action: n/a Disposition Approved on Date: Disposition Case Number: n/a Disposition Comment:

Disposition Date: 01-Jan-1960 12:00:00 am Disposition Event:

Disposition History: n/a
Disposition Reason:
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Subject: DOCK WORKERS\' STRIKE

TAGS: ELAB, ECON, IS

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